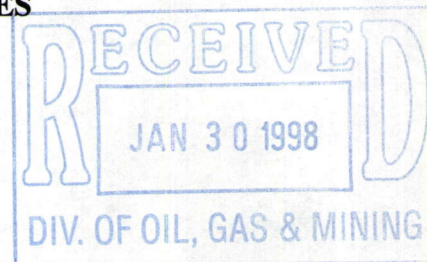


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad center, Suite 350
Salt Lake City, Utah 84180-1203
Telephone: (801) 538-5340
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) **1/97** To (mo./yr.) **12/97**
2. DOGM File Number (Mine No.): **M/035/011**
3. Mine Name: **4th Line/Copperton Concentrator**
4. Mineral(s) Mined (or permitted to mine): Copper and associated metals.
5. Type of mine: ☒ Surface Mine or ☐ Underground Mine
6. Legal Description, (Location of Lands Affected):

Section 31T1S, R2W;
Sections 6, 7, 8, 16, 17, 21, 28, 29 & 32.....T2S, R2W;
Sections 5, 6, 7 & 18T3S, R2W;

Salt Lake Base and Meridian, Salt Lake County, Utah
7. Name of Operator or Company: Kennecott Utah Copper Corporation
8. Permanent Street Address: P. O. Box 6001
City, State, Zip: 8315 W. 3595 South
Magna, UT 84044
Phone: (801) 252-3257

9. Company Representative (or designated operator):

Name: Paula Doughty
Title: Manager, Environmental Compliance
Business Address: P. O. Box 6001
City, State, Zip: Magna, UT 84044
Phone: (801) 252-3257

X Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes X No

2. If active, how much ore or mineral was mined?

60.8 million short tons were mined.

3. How much additional acreage was disturbed during the past year?

Approximately 872 acres were disturbed.

4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.

Final construction activities around the second tailings pipeline disturbed about 90 acres in 1997. Construction activities on and around the existing tailings impoundment redisturbed 782 previously reclaimed acres.

5. How much acreage was reclaimed during the past year?

In 1997, 963 acres were reclaimed by slope reduction, recontouring and/or top soil emplacement, and about 963 acres were seeded.

6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

Copperton Concentrator No reclamation was completed in 1997.

Tailings Pipeline Corridor 90 acres had slopes reduced, drainage established and subsoil and topsoil placed.
90 acres were seeded.

South Side Impoundment Stepback 47.5 acres were leveled or recontoured.
47.5 acres seeded.

East Side Impoundment Stepback	13.5 acres were leveled or recontoured. 13.5 acres were seeded.
Impoundment Repository Slopes	30 acres were recontoured. 30 acres were seeded.
Disturbed Areas on Impoundment	782 acres were slightly recontoured. 782 acres were seeded for dust control.

The revegetation and reclamation on the tailings impoundment and tailings pipeline corridor continue to show good results. New vegetation is becoming successfully established and older established vegetation continues to grow and expand.

7. What is the total disturbed acreage at years end? 2771.9 acres
8. Briefly summarize any mining and/or reclamation plans for the upcoming year.

The 1998 Reclamation Activities Plan will be submitted to the Division by February 28, 1998.

NOTE: Section III., "Additional Information" applies only to **large mining operations.**

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.

Updated surface facilities maps are attached.

2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be submitted.

The 1998 Reclamation Activities Plan will be submitted to the Division by February 28, 1998.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Paula Doughty

Title of Operator: Manager, Environmental Compliance

Signature of Operator: Paula Doughty

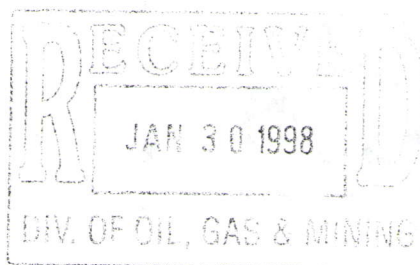
Date: January 29, 1998

Kennecott Utah Copper Corporation
8315 West 3595 South
P.O. Box 6001
Magna, Utah 84044-6001
(801) 252-3000

January 30, 1998

Kennecott

Mr. Wayne Hedberg, Permit Supervisor
Minerals Reclamation Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801



RE: Annual Reports for 1997, Kennecott Utah Copper Corporation

Dear Mr. Hedberg:

Enclosed are the completed annual report forms for the following DOGM permits:

M/035/002	Bingham Pit and UCD Modernization,
M/035/011	4th Line/Copperton Concentrator,
M/035/015	North Impoundment,
M/045/004	Pine Canyon Reclamation Project.

Also enclosed are maps covering the Bingham Pit area, Copperton Concentrator, the North Concentrator area, Pine Canyon, the existing Tailings Impoundment and the North Impoundment. These maps show surface facilities as they existed in 1997.

Kennecott Utah Copper Corporation (KUCC) assumes that for areas where permit boundaries overlap, the newer permit takes precedence. Any disturbance or reclamation occurring in the overlapping area has been assigned to the newer permit with the following exceptions:

Disturbance and reclamation on the existing Tailings Impoundment has been assigned to the 4th Line/Copperton Concentrator Permit rather than to the Bingham Pit/UCD Modernization Permit;

Disturbance and reclamation within the North Impoundment permit boundaries but which occurred on the existing Tailings Impoundment has been assigned to the 4th Line/Copperton Concentrator Permit.

These exceptions have been made in order to be consistent with previous annual reports. KUCC intends to complete an inventory of cumulative disturbance and reclamation for each permit area in 1998. Based upon this information, acreages reported in the 1998 Annual Reports will be assigned solely on the basis of the permit boundaries.

In addition to the reclamation activities documented in the attached reports, the following work was conducted by KUCC outside of the DOGM permit boundaries:

Little Valley/Kessler Canyon - about 300 acres were aerially seeded with native grasses, trees and shrubs,

Lower Kessler Canyon - about 500 trees were hand planted,

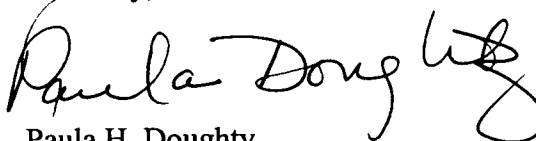
Refinery Remediation - about 30 acres were reclaimed when old process ponds at the Refinery were cleaned up, capped and revegetated,

Garfield Gravel Pit - about 3 acres were reclaimed by seeding and installation of a drip irrigation system.

In 1997 KUCC spent more than 1.15 million dollars on reclamation activities. These costs included purchases of seed, fertilizer, mycorrhizae and trees, seedbed preparation, application and planting. Excluded from these costs are such activities as contaminated soil removals, major recontouring efforts and soil emplacement which were paid for by the individual construction and remediation projects. More than eighty percent of this money was spent within the boundaries of permit # M/035/002. After correcting for inflation, this equates to more than \$400,000 spent in 1978 dollars. This is well in excess of the \$50,000 annual expenditure required by permit #M/035/002.

If you have any questions about these annual reports, please contact Rich Borden at 569-6208.

Sincerely,



Paula H. Doughty
Manager, Environmental Compliance

Enclosures

RB:lar